

**ITEM 1  
COVER PAGE**

**PART 2A OF FORM ADV: FIRM BROCHURE**



# **3G Capital Partners LP**

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This brochure (“**Brochure**”) provides information about the qualifications and business practices of 3G Capital Partners LP (together, with its relying adviser affiliates, the “**Adviser**,” the “**Registrant**,” “**we**,” “**us**,” or “**our**”). If you have any questions about the contents of this brochure, please contact our General Counsel/Chief Compliance Officer, Bradley Brown, at (212) 893-6727 or [bbrown@3G-Capital.com](mailto:bbrown@3G-Capital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about us also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We are a registered investment adviser under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). Our registration under the Advisers Act does not imply any level of skill or training.

**ITEM 2**  
**MATERIAL CHANGES**

Adviser filed its most recent Form ADV Part 2 in March 2019. This annual amendment reflects updates to certain disclosures relating to fund strategies, assets under management, and other matters.

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## ITEM 4 ADVISORY BUSINESS

### A. General Description of Advisory Firm

We are an exempted limited partnership organized under the laws of the Cayman Islands, formed in March 2005.

While we do not have any direct employees, we have entered into a staffing agreement with 3G Capital, Inc., a Delaware corporation and wholly owned subsidiary of ours, which employs all of the investment professionals that provide services to us and, ultimately, our clients. Any professionals providing services through this staffing arrangement are treated as associated persons of the Adviser, and are referred to throughout this Brochure as employees.

We provide investment advisory services to privately offered pooled investment vehicles (each, a “**Fund**” or “**Client**” and collectively, the “**Funds**” or “**Clients**”), typically pursuant to an investment management agreement or similar document (an “**IMA**”) or other organizational and offering documents under which the Adviser is granted discretion to trade the Client’s account without obtaining the Client’s consent to each particular transaction (subject to the investment policies and restrictions, if any, imposed by the Client in an IMA or otherwise). In addition, we operate under basic policies and principles applicable to the conduct of our investment advisory business. These policies and principles are based upon general concepts of fiduciary duty, the specific requirements of the Advisers Act, the rules and regulations promulgated thereunder, and our internal policies. We anticipate advising other funds from time to time. We refer to such potential clients, along with the Clients, as our “**clients**.” Our co-managing partners are Alexandre Behring and Daniel Schwartz.

Our Clients are private funds organized under the laws of the Cayman Islands, generally organized in a master-feeder structure except in the case of the 3G Special Situation Funds (as defined below). The feeder funds invest substantially all of their assets in a master fund. By using a master fund, our Clients achieve trading and administrative efficiencies. Our managed funds include, without limitation, the following:

- 3G Special Situations Fund IV L.P., 3G Special Situations Fund V L.P., 3G Global Food Holdings LP, 3G Kraft Heinz Company Holdings LP, and 3G Restaurant Brands Holdings LP (the “**3G Special Situations Funds**”);
- 3G Radar Fund LP (the “**3G Radar Master Fund**”), 3G Radar Onshore Fund LP (the “**3G Radar Onshore Feeder Fund**”), 3G Radar Offshore Fund Ltd. (the “**3G Radar Offshore Feeder Fund**,”), and 3G Radar Special Situations Fund I LP, (collectively the “**3G Radar Fund**”).

### B. Description of Advisory Services

As an investment adviser, we provide portfolio management services to our Clients. We are responsible for sourcing potential investments, conducting research and due diligence on potential investments, analyzing investment opportunities, structuring investments, and

monitoring investments on behalf of our Clients. We generate all of our advisory billings from investment advisory services.

We do not limit the type of investment advisory services we offer and there are no material limitations to the types of securities in which we expect to invest our clients (subject to anything in the relevant IMA, offering document, or organizational documents of a particular client). We reserve the right to invest in any security and any sector of the market to carry out the overall objectives of our Clients. Such objectives, strategies and policies may be expected to evolve materially over time. We have complete flexibility to create or organize (alone or in conjunction with others including affiliates) or otherwise utilize special purpose subsidiaries or other special purpose investment vehicles, swaps or other derivatives or structured products.

**C. Availability of Customized Services for Individual Clients**

Each Fund's organizational and offering documents, such as a private placement memorandum (a "PPM"), the IMA, or other Fund documents provide more detailed descriptions of each Fund's investment objectives and may contain investment guidelines, policies, or restrictions. The underlying investors in a Fund participate in the overall investment program for such Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Fund documents.

In addition, the Adviser may enter into agreements with certain clients (or underlying investors) that may in each case provide for terms of investment that are more favorable to the terms provided to other clients (or underlying investors). Such terms may include the waiver or reduction of management and/or incentive fees, the provision of additional information or reports, more favorable transfer rights, and more favorable liquidity rights.

**D. Wrap Fee Programs**

We do not participate in a wrap fee program.

**E. Assets Under Management**

As of February 29, 2020, we had approximately \$26,477,117,000 Client regulatory assets under management on a discretionary basis and no Client assets under management on a non-discretionary basis.

## **ITEM 5**

### **FEES AND COMPENSATION**

#### **A. Advisory Services and Fees**

Our management and performance fees vary by Client. For several Clients, we charge management fees based on net assets under management from 0.0% to 2.0% annually, depending on the Client. For one Client, we do not charge a management fee. For other Clients, we charge 2.0% annually on the value of the underlying investors' interest which is actively deployed for investments and 0.0% annually to the extent such Clients engage in co-investments. In addition, we or an affiliate of the Adviser, typically the general partner of a master fund, may receive an incentive or performance fee of up to 15-30% of the net capital appreciation, if any, charged to each Fund subject in certain cases to a loss carry forward provision. Our fees are further described in the PPMs or other governing documents of each Client. We structure any performance or incentive fee arrangement in accordance with Section 205(a)(1) of the Advisers Act and the rules and regulations promulgated thereunder, including the exemption set forth in Rule 205-3 permitting performance fee arrangements with "qualified clients."

In addition, we and/or our affiliates may agree to terms with other investment vehicles or accounts, or with the investors in such other investment vehicles or accounts, that differ from the terms entered into with our Clients and/or any of their respective underlying investors, including, without limitation, terms related to management fees, incentive allocations or fees, reporting, notice periods for redemptions, redemption dates, payment dates, redemption fees or other redemption terms. Any such arrangements with such other investment vehicles and accounts may be adverse to the interests of our Clients and/or their respective underlying investors.

From time to time, the Adviser provides (or agrees to provide) certain investors or other persons, including other sponsors, market participants, consultants and other service providers, the Adviser's personnel and/or certain other persons associated with the Adviser and/or its affiliates, co-investment opportunities (including the opportunity to participate in co-investment vehicles) that will invest in certain investments alongside a Fund. Such co-investments typically involve investment and disposal of interests in the applicable investment at the same time and on the same terms as the Fund making the investment. Clients that participate in a co-investment will generally not pay a management fee with respect to invested funds applied to co-investments made outside of the relevant Fund, and the Adviser may receive an incentive or performance fee. A co-investment vehicle will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds.

#### **B. Payment of Fees**

The IMAs, PPMs, or other Fund documents govern the terms of compensation and the manner in which we charge fees to each Client. Subject to the terms of IMAs, PPMs, or other Fund documents, we directly deduct our fees from the Funds. Depending on the Client, our management fees are paid monthly, in arrears, based on ending net assets at the end of each month. For certain of our Clients, our management fees are paid quarterly, in advance, based on the value of the underlying investors' interest which is actively deployed for investments. Depending on the Fund,

incentive fees are paid to us, either at the feeder or master level, either semi-annually or quarterly in arrears. Fees will be prorated for partial periods.

If a Client (or underlying investor) pays a fee in advance and then terminates its advisory contract before the end of the billing period, the Client may obtain a refund by contacting the Adviser or the refund will automatically be credited to the Client (or underlying investor) as specified in the relevant IMA or Fund document. The amount of the refund will be prorated for the partial period.

### **C. Additional Expenses and Fees**

Our fees are exclusive of other charges, fees, costs, expenses, liabilities and obligations which are paid by Clients (or their subsidiaries and intermediate entities) and include, among other things, where applicable: the cost of maintaining a Fund's existence, including, without limitation, the cost of maintaining the Fund's registered office in the Cayman Islands and the fees payable to the Cayman Island Monetary Authority ("**CIMA**"); the cost of meetings of the directors, shareholders and officers of a Fund; the cost associated with any shareholder communications; expenses of the continuous offering of shares of a Fund, including the cost of producing and distributing offering memoranda and other marketing materials; printing and mailing costs; filing fees and expenses; consulting, brokerage, depositary, finders', financing, appraisal, and accounting fees, as well as audit and tax preparation fees and expenses (including the preparation and mailing of K-1 forms); the fees and expenses of a Fund's administrator; computer software, licensing, programming and operating expenses; data processing costs; director fees and out-of-pocket expenses; taxes or other governmental charges; legal and compliance fees and expenses; indemnification, litigation and extraordinary expenses, if any; interest expenses; insurance premiums and expenses; custody fees; bank charges; and operating general operating and organization expenses of a Fund, along with other investment-related fees, costs, expenses, liabilities and obligations. A Fund will also bear its pro rata share of a master fund's operational expenses, including, the types of expenses and charges listed above.

These charges, fees, expenses, liabilities and obligations are exclusive of and in addition to our management and incentive fees, if any, and such costs may be reimbursed by a portfolio company to the extent they are allocable to a particular consummated or prospective investment. In most circumstances, such compensation is not reviewed or approved by an independent third party. We do not receive any portion of these charges, fees, and expenses and do not receive a brokerage commission or other compensation attributable to the sale of a security or other investment product. The Adviser may exempt certain investors in the Funds from payment of all or a portion of management fees and/or an incentive or performance fee, including the Adviser, its affiliates, and any other person designated by the Adviser. The Adviser reserves the right to make any such exemption from fees by a direct exemption, a rebate by the Adviser and/or its affiliates, or through other Funds (or classes of interest within a Fund) which co-invest with a Fund. The Adviser retains flexibility to structure its compensation from investors and reserves the right in certain circumstances to agree to invoice an investor directly for management fees or other compensation, rather than deducting such amounts from the investor's capital account(s).

In certain circumstances, one Fund may pay an expense or obligation common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds



participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds for their share of such expenses or obligations, without interest. The Adviser reserves the right to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

## ITEM 6

### PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

While the specific terms may vary by Client, for our advisory services, in general, we receive a management fee and we or an affiliate may receive a performance-based fee from our Clients. We do not generally charge any Clients any other type of fee, such as an hourly or flat fee. For a more detailed discussion of our performance or incentive fees, please see Item 5, “Fees and Compensation,” above.

Because the Adviser receives a management fee based on the net asset value of a Fund, the value of an underlying investor’s interest or invested capital, there is a potential conflict of interest regarding the management of a Fund’s assets. There is a potential conflict of interest between the responsibility of the Adviser to maximize profits from investment and trading and the possible desire of the Adviser to avoid taking risks that might reduce the net asset value of a Fund or value of an underlying investor’s interest and, consequently, reduce the management fee payable to the Adviser. In addition, the right of the Adviser or a Fund’s general partner, an affiliate of the Adviser, to receive a performance fee may create an incentive for the Adviser to cause a Fund to make investments that involve more risk or are more speculative than would otherwise be the case if the Adviser or the general partner of a Fund were allocated only a fixed amount as a fee. Because the performance fee is calculated on a basis that includes unrealized appreciation of the Fund’s assets as well as realized appreciation, such performance fee may be greater than if it were based solely on realized gains.

In addition, in the allocation of investment opportunities, performance based fee arrangements may also create (i) an incentive for us to favor accounts with performance or incentive fee arrangements over accounts that are not charged, or from which we will not receive, a performance fee; and (ii) an incentive for us to favor accounts from which we will receive a greater performance fee over accounts from which we will receive a lesser performance fee. We have adopted an Order Aggregation and Trade Allocation Policy (the “**Allocation Policy**”) designed to mitigate these conflicts by ensuring that transactions and investment opportunities will be fairly and equitably allocated to the Funds in accordance with each Funds’ investment guidelines and governing agreements, as well as other factors that do not include the amount of performance-based compensation received by the Adviser or any personnel. We generally expect that this will result in our clients being treated fairly and equally over time and preventing this form of conflict from influencing the allocation of investment opportunities among our clients. We will offer Clients the right to participate in all investment opportunities that we determine are appropriate for the client in view of relative amounts of capital available for new investments, the investment programs, and the portfolios of our Clients. In accordance with our Allocation Policy, we endeavor to treat each of our Clients in a fair and equitable manner.

## **ITEM 7**

### **TYPES OF CLIENTS**

We currently provide investment advisory services to private investment funds that are, generally, offered to high net worth financially sophisticated individual and institutional investors. Our investment advisory services are generally intended for financially sophisticated institutional and high net-worth individual investors and investment vehicles.

The minimum account size necessary to open and maintain an account with us varies by client and type of Client. We have set a minimum investment of \$100,000 to \$20,000,000 (depending on the Fund and which minimum can be waived in certain circumstances), but we retain the authority to require a different amount, or waive the minimum investment, depending on a variety of factors, such as a particular investor's circumstances or our investment strategies.

## ITEM 8

### METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

#### A. Methods of Analysis and Investment Strategies

We use several methods of analysis and investment strategies depending on a particular Fund's investment objectives, including, without limitation, those described below. Our Clients and underlying investors should refer to a particular Fund's PPM or other offering memoranda and governing documents for additional details.

**3G Special Situations Funds:** The 3G Special Situations Funds' objectives are to achieve superior long-term capital appreciation by making either controlling or non-controlling (but, in such cases, typically influential) investments in a single company or a small number of companies operating fundamentally good businesses with easy to understand business models that are being under-managed or to which the Adviser believes it can add meaningful value. The 3G Special Situations Funds focus on leveraged acquisitions, recapitalizations, and acquisitions of controlling or influential stakes of businesses in industries where the Adviser has either operating experience or a strong network of contacts within the industry.

**3G Radar Fund:** The 3G Radar Fund's primary investment objective is to seek capital appreciation by investing in, among other securities, the fixed-income and equity securities of companies located in Brazil and other countries. The 3G Radar Fund will pursue a wide range of investment strategies including long/short strategies and event driven strategies. The 3G Radar Fund will have exposure to the traditional cash market and may have exposure to the derivatives markets. The 3G Radar Fund may, in the reasonable discretion of the Adviser, employ leverage in furtherance of its investment objectives.

#### B. Risk of Loss

Investing in securities involves risk of loss that our Clients and their underlying investors should be prepared to bear, including the loss of their entire investment. The success of our Client's investment will depend entirely upon our skill and expertise and the performance of our investment strategy. In addition, because of the investment techniques we use, investing with us is designed for investors who are investing for the long term. An investment with us is not intended and is not suitable for investors seeking assured income or preservation of capital. While we try to reduce risks by carefully researching securities before they are purchased, diversifying investments and, in some cases, by using hedging techniques, there can be no assurance that our Clients will achieve their investment objectives. Because changes in overall market prices can occur at any time, the value of the securities held by our Clients may go up or down.

In addition, we believe that Clients and their underlying investors should be aware of the risk factors delineated below. These risk factors are not a complete explanation of all the risks to Clients and underlying investors from investing with us. Clients should carefully review this brochure, as well as each Fund's PPM, as appropriate, and any other operative agreements, before deciding to invest with the Adviser. Furthermore, while the risks below are generally applicable to our Funds and across our various strategies, investors should review each Fund's PPM or other operative and offering documents for risks that are specific to each Fund or strategy.

## **Risk Factors**

**Dynamic Investment Strategy.** While we generally intend to seek attractive returns for our Clients through the investment strategy and methods described herein, we reserve the right to pursue additional investment strategies and are permitted to modify or depart from its initial investment strategy, investment process or investment techniques to the extent we determine such modification or departure to be appropriate and consistent with the relevant Client's governing documents. At times, we pursue investments outside of the industries and sectors in which we have previously made investments or have internal operational experience.

**Lack of Sufficient Investment Opportunities.** It is possible that a Client will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. However, regardless of the extent to which the commitments of the investors are invested (or drawn down to be invested), the investors will be required to bear management fees through such Client during the commitment period based on the entire amount of the investors' commitments to such Client and other expenses as set forth in the relevant Client's governing documents.

**Restricted Nature of Investment Positions.** Generally, there will be no readily available market for certain Client investments, and hence, most of a Client's investments will be difficult to value. In certain cases, we are permitted to distribute certain investments (including restricted securities) in kind to the investors and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors. After a distribution of securities is made to the investors, many investors may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities are sold by such investors may be lower than the value of such securities determined pursuant to the Client's governing documents, including the value used to determine the amount of carried interest available to the Adviser or relevant general partner with respect to such investment.

**Hedging Transactions.** At times, we invest our Clients in financial instruments such as credit default swaps, forward contracts and currency options, and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of their investment positions (including, among other things, hedges on currencies, equities and derivatives). Hedging against a decline in the value of a position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus offsetting the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the position should increase. We are not obligated to hedge any risks and even if certain risks are hedged from time to time, we reserve the right to choose to terminate such hedging at any time.

**Leverage.** We reserve the right to have certain of our Clients invest using leverage, depending on the particular Client's PPM or organizational documents. The use of leverage creates opportunities for greater total return, but also increases the risk of losses. A relatively small movement in the market prices of the instruments held by a Client can result in immediate and substantial loss to the Client. Purchasing on margin increases the risk of having to sell at a time when market prices

are declining in order to meet margin calls. Also, our Clients may at times not be able to obtain financing at desired levels or on desired terms (and credit markets may be impacted by regulatory restrictions and guidelines). This could adversely affect Clients' returns.

**Illiquidity.** At times, the Adviser may have difficulty disposing of certain debt or equity securities of our Clients due to a thin trading market for such securities. Reduced secondary market liquidity may have an adverse impact on market price and the ability to dispose of particular issues when necessary to meet liquidity needs or in response to specific economic events such as deterioration in the creditworthiness of the issuer. To the extent that illiquid investments restrict our Clients' ability to raise cash when needed, such illiquidity may result in borrowings by Clients in order to meet short-term cash requirements. There may also be no readily available market for Client investments and such investments are difficult to value. As noted above, we reserve the right to distribute certain investments (including restricted securities) in kind to underlying investors and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such underlying investors.

**Short Selling.** Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities.

The extent to which we have a Client engage in short sales will depend upon our investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Client of buying those securities to cover the short position. There can be no assurance that the Client will be able to maintain the ability to borrow securities sold short. In such cases, the Client can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Loans of Portfolio Securities.** We reserve the right to have certain Clients lend their portfolio securities. By doing so, the Client attempts to increase its income through the receipt of interest on the loan. In the event of the bankruptcy of the other party to a securities loan, the Client could experience delays in recovering the securities it lent. To the extent that the value of the securities Client lent has increased, a loss could be experienced if such securities are not recovered.

**Commodities and Derivative Investments.** The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, the Client's assets are also subject

to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

We reserve the right to have certain Clients buy or sell (write) both call options and put options, and when they write options, they are permitted to do so on a “covered” or an “uncovered” basis. A call option is “covered” when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The Client’s option transactions may be part of a hedging strategy (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which the Client has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, without taking into account other positions or transactions we reserve the right to have the Client enter into, the principal risks involved in options trading can be described as follows: when the Client buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of the Client’s investment in the option (including commissions). The Client could mitigate those losses by selling short, or buying puts on, the securities for which it holds call options, or by taking a long position (*e.g.*, by buying the securities or buying calls on them) in securities underlying put options.

When we have a Client sell (write) an option, the risk can be substantially greater than when they buy an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is “covered.” If it is covered, the Client would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Client might suffer as a result of owning the security. The Commodity Futures Trading Commission (“CFTC”) and certain commodity exchanges have established limits referred to as speculative position limits or position limits on the maximum net long or net short position which any person or group of persons may hold or control in particular futures and options. Limits on trading in options contracts also have been established by the various options exchanges. It is possible that the trading decisions would have to be modified and that positions held would have to be liquidated in order to avoid exceeding such limits. Such modification or liquidation, if required, could adversely affect our operations and our Clients’ profitability.

**Non-U.S. Financial Instruments.** Certain Clients trade non-U.S. financial instruments. Investments in financial instruments of non-U.S. issuers (including non-U.S. governments) and financial instruments denominated, or whose prices are quoted, in non-U.S. currencies pose, to the extent not hedged, currency exchange risks (including repatriation restrictions, devaluation and non-exchangeability) as well as a range of other potential risks which include expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers. Transaction costs

of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers than there is in the United States. We, on our Clients' behalf, might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the performance of our Clients' investments. In addition, the value of non-U.S. financial instruments is often dependent on the ability of the holder to recover portions of the cash flow. For example, bonds from which coupon interest has been withheld, acquire value to a holder capable of recovering the withholding. The withholding and redemption practices of non-U.S. governments will change from time to time without notice, and the ability of the Adviser to guarantee recovery of the cash flow is necessarily uncertain.

The fact that evidences of ownership of such financial instruments are permitted to be held outside the United States subjects our Clients to additional risks, which include possible adverse political and economic developments, and the attendant risk of seizure or nationalization of foreign deposits, and possible adoption of governmental restrictions which might adversely affect payments on non-U.S. financial instruments or might restrict payments to investors located outside the country of the issuers, whether from currency blockage or otherwise. Custodial expenses for a portfolio of non-U.S. financial instruments generally are higher than for a portfolio of U.S. securities. This is particularly the case in the developing markets, where custodial and transaction charges are generally significantly higher than in the U.S. In addition, dividend and interest payments from, and capital gains in respect of, certain non-U.S. financial instruments may be subject to non-U.S. withholding or other taxes that may or may not be reclaimable.

With respect to any emerging market country, there is the possibility of nationalization, political changes, government regulation, social instability or diplomatic developments which could affect adversely the economies of such countries or the value of our Clients' investments in those countries.

**Forward Trading.** Certain Clients engage in forward trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Adviser on Clients' behalf due to unusual trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Adviser would otherwise recommend, to our Clients' possible detriment. Market illiquidity or disruption could result in major losses to our Clients.



**Acts of God and Geopolitical Risks.** The performance of our Clients could be impacted by Acts of God or other unforeseen and/or uncontrollable events (collectively, “disruptions”), including, but not limited to, natural disasters, public health emergencies (including any outbreak or threat of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, ebola, or other existing or new pandemic or epidemic diseases), terrorism, social and political discord, geopolitical events, national and international political circumstances, and other unforeseen and/or uncontrollable events with widespread impact. These disruptions may affect the level and volatility of security prices and liquidity of any investments. There is risk that unexpected volatility or lack of liquidity will impair an investment’s profitability or result in its suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or securities industry participants in other countries or regions.

The extent of the impact of any such disruption on the Adviser, our Clients, and any underlying portfolio company’s operational and financial performance will depend on many factors, including the duration and scope of such disruption, the extent of any related travel advisories and restrictions implemented, the impact of such disruption on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. A disruption may materially and adversely impact the value and performance of any investment, the Adviser’s ability to source, manage and divest investments, and our ability to achieve our Clients’ investment objectives, ultimately resulting in significant losses to Clients and investors. In addition, there is a risk that a disruption will significantly impact the operations of the Adviser, our Clients, and their underlying portfolio companies, or even temporarily or permanently halt their operations.

**Concentration of Investments.** We are generally not restricted from concentrating our Clients’ assets in the financial instruments of a single issuer (or borrower) or guarantor, and reserve the right to (and frequently do) invest all or most of our Clients’ assets in a single market sector and region (or in a single portfolio company in the case of the 3G Special Situations Funds). The negative impact on Clients of adverse movements in the value of the financial instruments of a single issuer (or borrower), guarantor, region or market sector could be considerably greater than if we were not permitted to concentrate its investments to such an extent.

**Highly Volatile Markets.** The prices of financial instruments in which we invest our Clients’ assets can be highly volatile. Price movements of forward and other derivative contracts in which our Clients’ assets are invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

**Counterparty Risk.** Some of the markets in which we invest our Clients’ assets effect transactions “over-the-counter” or in “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes our Clients to the risk that a counterparty will not settle a transaction in accordance with our terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing our Clients to suffer losses. Such “counterparty risk” is accentuated for contracts with longer maturities where events may

intervene to prevent settlement, or where a Client has concentrated its transactions with a single or small group of counterparties. We generally are not restricted from dealing with any particular counterparty or from concentrating any or all of our Clients' transactions with one counterparty. Moreover, our internal credit function which evaluates the creditworthiness of counterparties may prove insufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of counterparties and the absence of a regulated market to facilitate settlement may increase our Clients' potential for losses.

**Need for Follow-On Investments.** Following its initial investment in a given portfolio company, Adviser reserves the right to decide to provide additional funds to such portfolio company and could have the opportunity to increase its investment in a portfolio company (whether for opportunistic reasons, including acquisitions and other transactions entered into thereby, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). The amount of such additional financing needed will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from the relevant Client or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. There can be no assurance that any Client will make follow-on investments or that any Client will have sufficient funds to make all or any of such investments. Any decision by a Client not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Such failure to make such investments may result in a lost opportunity for the Client to increase its participation in a successful portfolio company or the dilution of the Client's ownership in a portfolio company if a third party invests in such portfolio company. Moreover, if the funds provided are not sufficient, a company may have to raise additional capital at a price unfavorable to such portfolio company's existing investors, including the relevant Client. Also, the Adviser reserves the right to make additional investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve the relevant Client's proportionate ownership when a subsequent financing is planned, or to protect such Client's investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Adviser or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

**Prime Broker Risk.** We retain various brokers to act as prime brokers. The terms on which services are provided, or upon which such transactions are effected, by prime brokers shall be no less favorable to our Clients than could have been expected had the transaction or service been effected with, by or through an independent third party. The securities in margin accounts maintained with prime brokers and any securities for which we have not had our Clients fully pay, together with all attendant ownership rights, may be loaned to prime brokers or to others, or may be used by the prime brokers as collateral for their general loans. Such assets may become available to third party creditors of the prime brokers.

**Portfolio Turnover.** Consistent with investment policies, at times, our Clients purchase and sell securities without regard to the effect on our Clients' portfolio turnover. Higher portfolio turnover

(e.g., over 100% per year) will cause our Clients to incur additional transaction costs and may result in taxable gains being passed through to underlying investors.

**Reliance on Key Personnel.** Certain of the Adviser's employees may be considered key persons with respect to the successful implementation of our Clients' investment strategies. If these persons were not available to us, we may be impaired, at least to some degree, in our ability to pursue our Clients' investment objectives and implement their investment strategies; however, it is not currently anticipated that any of our current key employees will not be available to continue to manage our Clients' assets.

**Master-Feeder Structure.** Certain of our Clients are funds in a "master-feeder" structure. The "master-feeder" fund structure presents certain unique risks to investors. For example, a smaller fund investing in a master fund may be materially affected by the actions of a larger feeder fund. If a larger feeder fund withdrew from a master fund, the remaining feeder fund may experience higher pro rata operating expenses, thereby providing lower returns. A master fund may become less diverse due to redemption by a larger feeder fund, resulting in increased portfolio risk. A master fund is a single entity and creditors of the master fund may enforce claims against all of the assets of the master fund. The Adviser reserves the right to establish additional feeder funds that invest in a master fund or classes within certain feeder funds with terms that differ from that of a particular Fund.

**High Yield Debt Securities.** We reserve the right to have certain of our Clients invest in higher yielding (and, therefore, higher risk) debt securities. Such securities may be below "investment grade" and face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. The market prices of certain of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher rated securities. It is likely that a major economic recession or an environment characterized by a shortage of liquidity could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn or liquidity squeeze could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

**Investments in Latin America or Other Countries.** From time to time, the Adviser makes investments on behalf of Clients in companies or other interests located in or with connections to Latin America, and capital invested by the Adviser in Latin American countries will be subject to risks connected with the ownership and management of investments in such countries. Investment activities in Latin American countries involve a degree of risk and special considerations, including, but not limited to, those set forth below. Participation in investments in Latin American countries is thus suitable only for investors capable of understanding the specific risks involved. The overall value of a Client's portfolio investments in Latin American countries, if any, will be affected by such countries' distinctive economic, political and regulatory environment, including, without limitation, interest rate levels, inflation, the availability of financing in local markets, as well as changes to the legal environment. The economies of Latin American countries differ from the economies of the United States in such respects as general development, wealth distribution,

rate of inflation, volatility of the rate of growth of gross domestic product, capital reinvestment, resource self-sufficiency and balance of payment position, among others.

In particular, Latin American countries have experienced substantial and, over some periods, extreme and volatile rates of inflation and fluctuations in the value of their currencies. Inflation and rapid fluctuations in currency values have had and may continue to have negative effects on the economy and securities markets of Latin American countries. Also, economic and market conditions in other emerging market countries may influence the market for securities issued by Brazilian companies and investors' perception of economic conditions in Brazil.

We expect to invest the assets of certain of our Clients in a portfolio that comprises securities of Brazilian companies and other Brazilian assets (as well as other assets with a connection to Brazil). There are particular risks associated with investing in the securities and other assets in the Brazilian markets, including the general economic and market conditions in Brazil, the volatility of Brazilian markets, and fluctuations in Brazilian currency.

**Public Company Holdings.** A Client's investment portfolio will typically contain debt and/or equity securities issued by publicly held companies. Such investments subject a Client to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Client to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Adviser's principals, and increased costs associated with each of the aforementioned risks.

**Material Non-Public Information; Other Regulatory Restrictions.** As a result of the operations of the Adviser and its affiliates, as well as in connection with officerships or directorships of Adviser personnel, the Adviser frequently comes into possession of confidential or material non-public information. Therefore, the Adviser and its affiliates are likely to have access to material, non-public information that is relevant to an investment decision to be made by a Client. Consequently, a Client may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Adviser's internal policies. Due to these restrictions, a Client may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

**Valuation of Assets.** There is not expected to be an actively traded market for certain of the securities owned by our Clients and certain securities that are actively traded thereby may be subject to lock-ups, exchange/conversion restrictions and/or similar limitations making reference to actively traded securities without such limitations less appropriate than might otherwise be the case absent such limitations. When estimating fair value, we will have discretion to, among other things, apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available or appropriate is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for or had there been no such limitations in respect

of such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by may give rise to conflicts of interest, including in connection with determining the amount, type and timing of distributions including in respect of carried interest and the calculation of management fees.

**Cybersecurity Risks.** Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a company in which a Client is invested is subject to cyber-attack or other unauthorized access is gained to such company's systems, such company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) company software, contact lists or other databases; (iv) company proprietary information or trade secrets; or (v) other items. In certain events, such a company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a company, or the relevant Client, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Adviser or one of its service providers holding its financial or investor data, Adviser, its affiliates or the Clients may also be at risk of loss.

**Limited Access to Information.** Investors' rights to information regarding a Fund, the general partner or the Adviser generally will be specified, and in many cases strictly limited, by the relevant Client's governing documents. In particular, it is anticipated that the general partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to investors because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of the Adviser's control. Decisions by the Adviser or its affiliates to withhold information may have adverse consequences for investors in a variety of circumstances. For example, an investor that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for an investor to monitor the Adviser and its performance. Additionally, it is anticipated that investors that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other investors. Investors generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and the Adviser reserves the right to withhold certain information from investors subject to such laws for reasons relating to the Adviser's public reputation, business strategy or other reasons.

### **C. Recommendation of a Particular Type of Security**

We do not recommend any particular type of security. There are no material limitations to the types of securities in which we may invest our Clients (subject to anything to the contrary in the relevant IMA, offering document, or organizational documents of a particular Client).

**ITEM 9**  
**DISCIPLINARY INFORMATION**

The Registrant settled an administrative proceeding initiated by the Comissão de Valores Mobiliários (“CVM”), the Brazilian Securities and Exchange Commission, related to trading in 2006 by the Registrant and a former advisory affiliate. The settlement involved no admission of wrongdoing on the part of the Registrant and no determination was made by the CVM as to whether a violation had occurred. More information is available in ADV Part 1.

**ITEM 10**  
**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

**A. Broker-Dealer Registration**

The Adviser and its management personnel are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

**B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor Registration**

The Adviser and its management personnel are not registered as futures commission merchants (“FCM”), commodity pool operators (“CPO”), and commodity trading advisors (“CTA”) with the CFTC and do not have any application pending to register with the CFTC or the National Futures Association as a FCM, CPO, CTA, or an associated person of a FCM, CPO, or CTA.

**C. Material Relationships and Conflicts of Interests with Industry Participants**

Our relationships and arrangements with other clients and our affiliates are material to our advisory business. The Adviser, its respective members, officers, and employees manage and advise multiple Funds. For a list of our Funds, please see Item 4(B), “Advisory Business, Description of Advisory Services,” above.

We and our Clients are subject to actual and potential conflicts of interest arising out of our and our affiliates’ activities. The success of our Clients depends primarily upon the Adviser and our affiliates. We and our affiliates act as advisers or consultants to other entities, including affiliates and employees of affiliates that have investments that are substantially similar to the investments of our Clients, or which employ an investment strategy similar to the investment strategy employed by our Clients. We currently or in the future reserve the right to act as an adviser to one or more investment partnerships, partnerships, corporations, pension or profit-sharing plans or trusts, or individuals that have investments that may be substantially similar to the investments of our Clients, or that employ investment strategies similar to those employed by our Clients.

At times, the Adviser manages or advises other investment funds or client accounts that invest in the Funds or in assets that may also be purchased or sold by the Funds. The advice and securities recommendations that we give to these other accounts and the securities that we buy or sell for these other accounts will in certain cases differ from the advice and recommendations that we give to our Clients, and the securities bought or sold for our Clients, even if these other accounts employ substantially the same investment strategy as our Clients. We cannot guarantee that trades for these other accounts will not be different from or opposite to or entered ahead of trades entered into by or for our Clients. Because of different objectives or other factors, an asset may be purchased for one or more Funds managed by us at the same time that the asset is sold for another Fund managed by us. If we decide that one or more of such Funds would be best served by selling a certain type of asset at the same time that one or more of such Funds would be best served by purchasing the same type of asset, transactions in such assets will be made for the respective Funds in a manner determined by us to be equitable to each Fund. Further, we reserve the right to decide

that a Fund that we advise is best served by selling its investment in another Fund. Circumstances may exist in which the purchase or sale of assets for one or more Funds advised by us or the sale by Clients or the Adviser of their investments in a Fund will have an adverse effect on other Funds or accounts advised by us. We reserve the right to cause the Fund to enter into transactions with us and our affiliates, including, among other things, brokerage or financing arrangements.

**D. Material Conflicts of Interest Relating to Other Investment Advisers**

Our general partner, 3G Capital Partners Ltd., and certain affiliates, hold interests in two SEC-registered investment advisers: 3G Sahana Capital Management LP (“Sahana”) and Dumont Global LP (“Dumont”). Sahana and Dumont provide investment advisory services to privately offered pooled investment vehicles. The Adviser and its Clients do not receive any investment advisory services from Sahana or Dumont, and the Adviser does not provide any investment advice to Sahana, Dumont, or their clients. The Adviser also does not invest Client capital in Sahana’s and/or Dumont’s investment vehicles.

We do not recommend or select other investment advisers for our Clients from whom we receive compensation, directly or indirectly, or have other business relationships with any such advisers that create a material conflict of interest.

**E. General**

Adviser and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for the account of other Clients and for their own account, and providing transaction-related, legal, management and other services to Clients and portfolio companies. Adviser will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Clients in an appropriate manner, as required by the relevant PPM, IMA or other governing documents, although the Clients and their respective investments will place varying levels of demand on these over time. In the ordinary course of Adviser conducting its activities, the interests of a Client will conflict with the interests of Adviser, one or more other Clients, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, Adviser will determine all matters relating to structuring transactions and Client operations using its best judgment considering all factors it deems relevant, but in its sole discretion.

From time to time, Adviser will be presented with investment opportunities that would be suitable not only for a Client, but also for other Clients and other investment vehicles operated by advisory affiliates of Adviser. In determining which investment vehicles should participate in such investment opportunities, Adviser and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Conflicts arise when a Client makes investments in conjunction with an investment being made by another Client, or if it were to invest in the securities of a company in which another Client has already made an investment. A Client may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Clients. This likely will result in differences in price, terms, and associated costs. Further, there can be no assurance that the relevant Client and the other Client(s) or vehicle(s) with which it co-invests will exit such investment at the same time



or on the same terms. There can be no assurance that the return on one Client's investments will be the same as the returns obtained by other Clients participating in a given transaction.

In determining how to allocate investment opportunities, the Adviser and its affiliates will allocate such opportunities among the Clients on a basis that they reasonably determine to be fair and reasonable to their Clients over time, taking into account such factors as the sourcing of the transaction, the nature of the investment focus of each such other Client (including, without limitation, the equity size of an investment and liquidity profile of the Clients, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals, any requirements contained in the governing documents of such other funds and other considerations deemed relevant by the relevant general partner and the Adviser and/or its affiliates. The Adviser and its affiliates' allocation of investment opportunities among the Clients and in the manner discussed herein often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others and there can be no assurance that a Client's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would have been if the potential conflicts of interest to which the Adviser and/or its affiliates is subject, including those discussed herein, did not exist.

In certain cases, the Adviser will have opportunity (but, subject to any applicable restrictions or procedures in the relevant Fund's governing documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, the Adviser will use its discretion to select such transferees based on suitability and other factors will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Accordingly, Clients and other investment vehicles controlled by the Adviser and/or its affiliates may make investments in companies in which a Client will not be given the opportunity to participate. Nevertheless, Clients, certain situations, invest in a portfolio company (or a portfolio company of a portfolio company) of another Client. Such a transaction would in certain cases constitute a "principal transaction" under U.S. securities laws. There are no guarantees that such a transaction would be subject to express consent by investors. If investor or other consent is required or otherwise sought and in each case obtained, a non-consenting investor would be obligated to participate in such an investment.

In addition, in the event that two or more Clients invest at the same, different or overlapping levels of a portfolio company's capital structure, the Adviser and/or its affiliates would be subject to potential conflicts of interest in determining the terms of each such investment and in giving advice and taking actions on behalf of a Client versus such other Clients during the course of each such investment.

Moreover, other current and/or future Clients may invest in securities of publicly-traded companies which are actual or potential portfolio companies of another Client. It is permitted that the trading activities of one Client differ from or be inconsistent with activities which are undertaken for the account of another Client in such securities or related securities. In addition, a Client will not necessarily not pursue an investment in a portfolio company as a result of such trading activities by other current and/or future Clients. The Adviser and/or its affiliates reserve

the right to implement certain policies and procedures that seek to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions. The Adviser is and may become subject to more regulatory and contractual restrictions than it would be subject to if it only managed one Client and its predecessor and successor vehicles.

Additionally, the Adviser, its affiliates, and their respective equity holders, officers, principals and employees reserve the right to (i) buy or sell securities or other instruments that the Adviser has recommended to one or more Clients or (ii) buy securities in transactions offered to but rejected by a Client. Such transactions are subject to the internal policies and procedures of the Adviser. Employees and related persons of the Adviser have, and are expected to continue to have, capital investments, directly or indirectly in securities of publicly-traded companies which are actual or potential portfolio companies of a Client.

In addition, the Adviser and its affiliates have not historically charged monitoring, transactional, consulting or similar fees to portfolio companies and do not currently expect to do so. However, if the Adviser (or its affiliates) charge such fees to portfolio companies, 100% of any such fees that are deemed by the relevant general partner to be solely for the benefit of the Client (net of expenses related thereto) will offset the management fee otherwise payable. In such circumstances, investors would bear fees and allocations to the relevant general partner and manager at both the Fund- and the portfolio company-level with respect to the capital they invest in a Fund, to the extent not offset as provided above. Likewise, directors and officers of portfolio companies likely will receive and retain normal and customary compensation from such portfolio companies. Such compensation can include salary, bonuses, fees, stock options, and other types of deferred compensation. In addition, portfolio companies are likely create equity or other performance-related incentives for or otherwise compensate, including through salary, bonus or otherwise, individuals who participate in the management of the portfolio company, including principals of, and persons employed by, the Adviser and its affiliates who themselves may be directors of, or employed by, portfolio companies. Such amounts payable to such directors or officers or other individuals who participate in the management of the portfolio companies will not offset any fees (including the management fee) or allocations to the Adviser or its affiliates.

A portfolio company typically will reimburse the Adviser, its affiliates or service providers retained at the Adviser's or its affiliates' discretion for expenses (including without limitation travel expenses) incurred by the Adviser, its affiliates or such service providers in connection with its performance of services for such portfolio company. The Adviser or its affiliates determine the amount of these reimbursements for such services in their own discretion, subject to their internal reimbursement policies and practices.

In addition, the Adviser and its affiliates will allocate fees and expenses as between the Clients in accordance with the governing documents and in a manner that the Adviser believes is fair and equitable under the circumstances and considering such factors as it deems relevant, but in its sole discretion.

As a general matter, expenses that apply to a Client and one or more other Client(s) or co-invest vehicles typically will be allocated among all relevant Clients or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by the Adviser or its

affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses frequently will not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate *pro rata* based on the number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size.

**ITEM 11**  
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS  
AND PERSONAL TRADING**

**A. Code of Ethics**

As a fundamental mandate, the Adviser demands the highest standards of ethical conduct and care from all of its associated employees, officers, and directors. All employees of the Adviser must abide by this basic business standard and must not take inappropriate advantage of their position with the Adviser. Each employee is under a duty to exercise his or her authority and responsibility for the primary benefit of our Clients and the Adviser and may not have outside interests that inappropriately conflict with the interests of the Adviser or of the Adviser's Clients. Each employee must avoid circumstances or conduct that adversely affect or that appear to adversely affect our Clients. Every employee must comply with applicable federal securities laws and must report violations of its Code of Ethics to our General Counsel / Chief Compliance.

In recognition of the Adviser's fiduciary duty to its Clients and the Adviser's desire to maintain its high ethical standards, the Adviser adopted a Code of Ethics, pursuant to Rule 204A-1, promulgated under the Advisers Act, containing provisions designed to prevent improper personal trading, identify conflicts of interest, prevent insider trading, and provide a means to resolve any actual or potential conflicts in favor of the Adviser's Clients. Clients or prospective clients may review a copy of the Adviser's Code of Ethics by contacting our General Counsel/Chief Compliance Officer, Bradley Brown, at (212) 893-6727 or [bbrown@3G-Capital.com](mailto:bbrown@3G-Capital.com).

**B. Recommending, Buying, or Selling Securities in which We or a Related Person Have a Material Financial Interest, Invest, or Buy or Sell at the Same Time; Conflict of Interests**

Conflicts of interest likely will occur when we, or our related persons, invest in the same securities, trade in the same securities at or about the same time, or have a material financial interest in the same securities that we recommend to our clients. For example, the Adviser and its related persons could invest their personal funds in the Funds, and, therefore, such persons could hold an indirect interest in the same securities as other investors in the Funds. In addition, certain employees of the Adviser could own securities in their personal accounts that are also recommended by the Adviser to its clients.

Moreover, the 3G Principal Fund serves as a co-investment vehicle for certain passive owners of the Adviser. The 3G Principal Fund invests in "over-allotments" of certain portfolio securities purchased by Fund clients. Only after all of the Fund clients have been offered participation in a particular security transaction in an amount appropriate for a particular fund (as determined by the Adviser at the time of purchase) will the Adviser offer participation in such security transaction to the 3G Principal Fund. Generally, none of the passive owners with investments in the 3G Principal Fund are involved in the Adviser's day-to-day investment decisions or day-to-day management.

The Adviser has established procedures, including a Code of Ethics and a personal trading policy, intended to limit conflicts of interest in cases where the Adviser, a related person or any employee, buys, sells or otherwise has an interest in, securities recommended by the Adviser to its clients. In addition, our Chief Compliance Officer reviews all investment-related decisions concerning the 3G Principal Fund.

On rare occasions, the Adviser may deem it to be in the best interests of its clients to reallocate or “cross” securities transactions between client accounts. Similarly, on rare occasions, the Adviser may enter into “principal transactions” in which the Adviser or an Affiliate act as principal for its own account or as broker for the account of a client with respect to the sale of a security to or purchase of a security from another client. The Adviser maintains policies and procedures intended to limit the potential conflicts of interest inherent in cross or principal transactions. Cross or principal transactions will only be effected if they are deemed to be in the best interests of the particular clients involved and will be conducted in compliance with our policies and procedures and applicable law.

### **Personal Trading**

We believe restricting our employees’ personal trading is one way of avoiding conflicts of interest between our clients and our employees. Accordingly, we include a “Personal Investment Policy” (the “**Personal Investment Policy**”) as part of our Code of Ethics. For a full description of our Code of Ethics, please see Item 11(A), “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Code of Ethics,” above.

Generally, our Personal Investment Policy restricts employees from trading in a broad-definition of securities subject to pre-approval in certain circumstances. Employees who already own specific securities must obtain permission from our senior management prior to selling the specific security. Employees are generally permitted to invest in the following: mutual fund shares, U.S. Government obligations, investment grade debt securities, exchange traded funds (ETFs) and other indexed-linked securities, and “blind pools” (investments in an account which the employee does not exercise any influence or control.)

We also maintain a restricted security list (the “**Restricted Securities List**”) composed of companies or issuers whose securities are subject to the Adviser’s imposed trading activity prohibitions or restrictions. If an employee’s proposed transaction involves a security on the Restricted Security List, the transaction may be approved in limited cases after a detailed review of facts and circumstances. It is the policy of the Adviser that all personnel shall strictly observe such trading activity prohibitions or restrictions.

In addition, in general, the personnel covered by the Adviser’s Personal Investment Policy must provide our Chief Compliance Officer with all of their securities holdings at the commencement of employment with the Adviser and (i) monthly brokerage statements, and/or (ii) quarterly reports of any securities transactions not previously reported on a brokerage statement. Furthermore, the personal accounts of the personnel covered by the Adviser’s personal trading policy are reviewed on a regular basis. Any transactions that are believed to be a violation of the Adviser’s personal trading policy will be reported promptly to the management of the Adviser.

## **ITEM 12**

### **BROKERAGE PRACTICES**

Pursuant to each Client's IMA, or other similar agreement, we are generally authorized to select the broker or dealer to effect transactions on behalf of our Clients; however, our selection of the broker or dealer may be tailored to a particular client's investment guidelines or restrictions, where appropriate. Accordingly, portfolio transactions will be allocated to brokers based on best execution and in consideration of such broker's provision or payment of the costs of research and other services.

#### **A. Selection of Broker-Dealers and Reasonableness of Compensation**

We have a duty to obtain "best execution" of the securities transactions being effected for our clients' accounts. To fulfill this obligation, we generally must execute securities transactions in such a manner that the Client's total cost or proceeds in the transaction is the most favorable under the circumstances. The SEC has stated that in deciding what constitutes best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. In seeking best execution, we consider the full range of the broker's services, including the value of research provided and execution capability, commission rate, financing rates and financial reputation, responsibility and responsiveness. In selecting brokers or dealers to execute transactions, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

The Adviser considers the full range and quality of a broker-dealer's service in selecting broker-dealers. The determinative factor is whether the broker-dealer will provide the best overall qualitative execution for our Clients. As a starting point, the primary consideration is the trade price/cost and imputed mark-up/mark-down. These things being equal or fairly equal among brokers, the following qualitative factors, among others and where relevant, are considered:

- Order flow sent to the broker-dealers;
- Gross compensation paid to each broker-dealer;
- Liquidity of the securities traded and current market conditions;
- Allocation of limited investment opportunities;
- Ability to maintain the confidentiality of trading intentions/activity;
- Market intelligence regarding trading activity;
- Ability/willingness to place trades in difficult market environments;
- Frequency and correction of trading errors and fairness in resolving disputes;
- Quality and value of the research services provided;
- Ability to access a variety of market venues;
- Execution facilitation services provided;
- Expertise as it relates to specific securities;
- Timeliness of execution and trade confirmations;
- Intermediary compensation (dealer spreads);
- Willingness to commit capital;
- Financial condition and business reputation;
- Access to underwritten offerings and secondary markets; and

- Block trading and block positioning capabilities.

The Adviser prepares and regularly reviews trade summaries which document our trading activities, and which include, among other things, information about the pricing and execution our Clients received from particular broker-dealers.

### **1. Research and Other Soft Dollar Arrangements**

Research and related products or services furnished by brokers will be limited to services that constitute research within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended. Accordingly, research and related products or services may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, as well as discussions with research personnel; financial and industry publications; statistical and pricing services, along with hardware, software, data bases and other technical and telecommunication services, lines, and equipment (including updates, replacement parts, repairs and service thereon) utilized in the investment management process. The research and related products or services may include both proprietary research created or developed by the broker-dealer and research created or developed by a third party. Research services obtained by the use of commissions arising from a Fund's portfolio transactions may not only benefit such Fund's trading, but may be used by the Adviser in its other investment activities.

When we use client brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products, or services. The receipt of research and other "soft-dollar" benefits from broker-dealers provides an incentive for us to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving the most favorable execution. Using a broker who provides us with research or other "soft-dollar" benefits may cause clients to pay commissions higher than the commissions charged by broker-dealers who do not so provide.

In the last fiscal year, we acquired the following these types of research and related products or services using brokerage commissions: written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, as well as discussions with research personnel; financial and industry publications; statistical and pricing services, along with software, data bases and other technical and telecommunication services utilized in the investment management process.

### **2. Brokerage for Client Referrals**

In selecting or recommending broker-dealers, we do not consider whether we, or any of our affiliates, receive client or investor referrals from a broker-dealer or other third party.

### **3. Directed Brokerage**

"Directed brokerage" refers to instances in which a client retains the discretion to choose brokers and instructs the Adviser to direct portfolio transactions to a particular broker-dealer. We generally do not permit any directed brokerage arrangements at this time. If we change our policy

on directed brokerage, we will adopt appropriate policies and procedures. Directed brokerage restricts the Adviser's discretion to select brokers and negotiate commission rates and may adversely affect the Adviser's ability to obtain best price and execution.

## **B. Aggregating Orders for Various Client Accounts**

As a general principle, the Adviser will only aggregate transactions when it believes that such an aggregation is lawful and consistent with its duty to seek best execution for its Clients, and is consistent with the pertinent IMA, PPM, or other offering and organizational documents of the relevant Funds. In such cases, individual investment advice and treatment will be accorded to each Client and we will not receive any additional compensation or remuneration of any kind as a result of the proposed aggregation.

As may be reasonably necessary and appropriate in order to ensure best execution, orders for the same security entered on behalf of more than one Fund will generally be aggregated (*i.e.*, blocked or bunched), provided that aggregation is in the best interests of all participating Funds – or, in any case, the transaction will be effectuated in a manner that permits each of the participating Funds to participate in a fair and equal manner and receive best execution.

Trades for our Clients in the same security on the same trading day with the same dealer or multiple dealers (either multiple sales or multiple buys), may be effected in a manner so as to give each Client the average price of the transactions. If multiple buys or multiple sells in a particular security are executed with the same dealer on the same day, reasonable efforts will be made to aggregate the trades with that dealer into one weighted-average cost ticket, except if doing so would subject participating Clients to unintended risks. If a trade is allocated, priced, and hedged for a group of Funds, a later trade in the day in that same security will not be aggregated with the first trade if it would have the consequence of subjecting participating Clients to unintended risks.

## **C. Trade Errors**

Trade errors may occur as a result of mistakes made on the part of an executing broker, or mistakes on the part of our personnel including, but not limited to, portfolio managers, traders and operations staff. To the extent that errors occur, we maintain trade error policies and procedures. In accordance with such procedures, trade errors are: (i) corrected by us as soon after discovery as practicable, and (ii) corrected in a manner whereby we minimize any gain and loss as a result of trade errors. We strive to correct all trade errors prior to settlement. Any gain that results from a trade error is left in the account of the applicable Client. Broker-dealers that cause trade errors as a result of their own mistakes should be responsible for any losses that result from such errors. We do not compensate broker-dealers with soft dollars for absorbing trade errors.

Pursuant to various exculpation and indemnification provisions in our Clients' offering and operative documents, the Adviser and our personnel generally will not be liable to Clients for any act or omission, absent bad faith, gross negligence, willful misconduct or fraud. In addition, Clients generally will be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Client, absent bad faith, gross negligence, willful misconduct or fraud. As a result of these provisions, the Client (and not the Adviser) will be responsible for any losses resulting from trading errors and similar human errors, absent bad faith, gross



negligence, willful misconduct or fraud. Trading errors might include, for example, keystroke errors that occur when entering trades into an electronic trading system, failures of oral communication between and among investment staff, trading staff and operations staff, or typographical or drafting errors related to derivatives contracts or similar agreements. Investors are advised that trading errors (and similar errors) will occur and Clients, in such cases, will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of the personnel of the Adviser.

**ITEM 13**  
**REVIEW OF ACCOUNTS**

**A. Periodic Review of Client Accounts**

Our senior management, which includes our Portfolio Managers, Chief Financial Officer, Chief Compliance Officer and Risk Manager, reviews on a daily basis the holdings of all our clients' accounts. These holdings are reviewed and monitored to ensure investment suitability and compliance with a Client's organizational documents and investment guidelines.

**B. Additional Review of Client Accounts**

The Chief Compliance Officer and/or the Chief Financial Officer will periodically review Clients' portfolios, performance and prospects in order to ensure compliance and identify any irregularities and/or inappropriate positions.

**C. Contents and Frequency of Account Reports to Clients**

Subject to reasonable delays, within 120 days of the end of a Fund's fiscal year, the Adviser will send each underlying investors in the Funds audited financial statements of the relevant Fund. The Adviser also intends to send, by mail or electronic means, semi-annual unaudited reports to underlying investors of the Funds. All results will be reported in U.S. dollars. The Adviser will also provide Clients and underlying U.S. taxable investors with K1 forms and other reasonably available annual income tax information.

Moreover, we generally provide each Fund's underlying investors with a monthly newsletter, which includes an analysis of the Fund's performance and an estimate of the Fund's gains or losses. The underlying investors in a Fund also receive a monthly statement of account from the Fund's administrator.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

**A. Economic Benefits for Providing Services to Clients**

We do not receive an economic benefit for providing investment advice or other advisory services to Clients from anyone other than our Clients.

**B. Compensation to Non-Supervised Persons for Client Referrals**

The Adviser may engage placement agents or solicitors to obtain underlying investors for the Funds. Such placement agents or solicitors likely will receive a cash referral fee, directly or indirectly, from the Funds. To address potential conflicts of interest, we would require such placement agents or solicitors to provide details, or we would provide details, of any referral fees relating to a particular underlying investor to that investor at the time of any solicitation activities.

## **ITEM 15 CUSTODY**

Rule 206(4)-2 promulgated under the Advisers Act (the “**Custody Rule**”) (and certain related rules and regulations under the Advisers Act) imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful).

The Adviser is required to maintain the funds and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which it has custody with a “qualified custodian.” Qualified custodians include banks, broker-dealers, futures commission merchants, and certain foreign financial institutions.

Rule 206(4)-2 generally requires that, upon opening an account with a qualified custodian on a client’s behalf, an adviser promptly notify the client in writing of the name and address of the qualified custodian and the manner in which the funds or securities are maintained. Generally, an adviser also must verify that the custodian sends quarterly account statements to the client. By rule, account statements must be sent directly to investors in a pooled investment vehicle if the adviser to the pool also acts as its general partner, managing member or in a similar capacity (or, in some cases, if an affiliate of the adviser acts as general partner, managing member or in a similar capacity). These account statements may be sent to the investors’ independent representative. Under certain circumstances, at least once each calendar year, an independent public accountant must verify the funds and securities of a client by surprise examination.

As noted above, Rule 206(4)-2 generally imposes on advisers with custody of clients’ funds or securities certain requirements concerning reports to such clients (including underlying investors in certain circumstances) and surprise examinations relating to such clients’ funds or securities. However, we need not comply with such requirements with respect to pooled investment vehicles if the pooled investment vehicle: (i) is audited at least annually by an independent public accountant, and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all limited partners, members or other beneficial owners, within 120 days (180 days in the case of a fund of fund adviser) of its fiscal year end. The Adviser intends to distribute the audited financials of each Fund to Clients (which will generally include Fund investors for this purpose) within the 120-day time period and therefore will be exempt from the Rule 206(4)-2 reporting and examination requirements.

## **ITEM 16**

### **INVESTMENT DISCRETION**

The Adviser provides investment advisory services on a discretionary basis to its clients. We exercise this discretion subject to the investment policies, limitations, and restrictions, if any, imposed by a client in an IMA or other applicable agreement, such as a Fund's organizational or offering documents. In these agreements, our clients may place limitations on our investment authority, including, without limitation, designating types of permitted investments, percentage of permitted investments, or prohibiting certain types of investments.

For a complete discussion of our advisory business and the services we provide to our clients, please see Item 4, "Advisory Business," above.

## ITEM 17

### VOTING CLIENT SECURITIES

We have accepted, and in the future will continue to accept, the authority to vote our clients' securities. As such, we have adopted policies and corresponding procedures to comply with Rule 206(4)-6 promulgated under the Advisers Act and with our fiduciary obligations (the "**Proxy Voting Policies**"). The Proxy Voting Policy applies to voting securities held by our Clients and has been designed to ensure that we vote proxies in the best interest of our Clients.

For most matters, our policy is not to vote a proxy if we believe the proposal is not adverse to the best interest of the Funds or, if adverse, the outcome of the vote is not in doubt in order to avoid the unnecessary expenditure of time and the cost to review the proxy materials in detail and carry out the vote. In the situations where we do vote a proxy, our primary objective is to make decisions in the best interest of our Clients. In fulfilling our obligations to our Clients, we will act in a manner deemed to be prudent and diligent to enhance the economic value of the underlying securities held by each of our Clients. In acting upon these matters on behalf of our Clients, we will seek to avoid material conflicts of interest between our interests and the interests of our Clients.

A member of our senior management will be responsible for making voting decisions with regard to all of our Clients' proxies. When voting proxies, or determining not to vote, some, but not all, of our considerations include:

- the view and opinion of management of the portfolio companies in which our Client holds a position and the effect of management's position on the value of our Client's investment;
- with regard to corporate governance matters, the purpose underlying the Client's investment position, including the investment horizon and the current or planned ownership position and degree of our involvement, on behalf of our Client, in management;
- with regard to proposals related to stock option plans and other management compensation issues, the portfolio company's need to recruit and retain highly qualified individuals in competitive labor markets and the relevant industry standards and practices;
- the purpose of proposed changes to the capital structure of a portfolio company and the likely effect of the change on the Client's investment; and
- with regard to proposals related to social and corporate responsibility, we will generally defer to company management, but will not support any proposals that may conflict with the portfolio company's ability to maximize long-term profits or may have an adverse effect on our Client's investment.

When deciding whether and how to vote proxies, certain conflicts of interest likely will arise. For example, portfolio companies in which different Clients are invested may be competing

for or involved in similar transactions, investments, lines of business, or types of research. Voting a proxy with regard to one Client's portfolio company may adversely affect the prospects or business of another Client's portfolio company. Because we serve as investment advisers to several Clients, a proxy vote in one manner may benefit one Client and a proxy vote in the same manner would adversely affect other Clients. In acting upon these matters on behalf of our Clients, we will seek to avoid material conflicts between our interests on the one hand and the interests of our Clients on the other. In addition, each Client's organizational documents may include provisions for the identification and mitigation of conflicts of interest.

If a Client has authorized us to vote proxies on its behalf, we will generally not accept instructions from the Client regarding how to vote on a particular proxy or solicitation. We will maintain proper records in connection with our Proxy Voting Policies, as required under the Advisers Act.

**ITEM 18**  
**FINANCIAL INFORMATION**

We are not required to attach a balance sheet because we do not require or solicit the payment of fees six months or more in advance. We have no financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to clients. We have never been the subject of a bankruptcy petition.